

INTRODUCTION: Airport and Airway Trust Fund

The Airport and Airway Trust Fund was established on the books of the Treasury in fiscal 1971, according to provisions of the Airport and Airway Revenue Act of 1970 [49 U.S.C. 1742 (a)]. The trust fund was re-established in the Internal Revenue Code (26 U.S.C. 9502) as a result of the Tax Equity and Fiscal Responsibility Act of 1982 (Public Law 97-248, dated September 3, 1982), effective September 1, 1982.

Amounts equivalent to the taxes received in the Treasury on transportation of persons and property by air, gasoline and jet fuel used in noncommercial aircraft, and an international departure tax are appropriated from the general fund of the Treasury to the trust fund. The Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508, dated November 5, 1990) increased rates for the excise taxes transferred to the fund.

These transfers are made based on estimates made by the Secretary of the Treasury, subject to adjustments in later transfers in the amount of actual tax receipts.

When the provisions of 26 U.S.C. 9602 (b) are met, amounts available in the fund exceeding outlay requirements are invested in public debt securities with the interest credited to the fund. Additional sums from the general fund are also credited as authorized and made available by law, if necessary, to meet outlay requirements.

Amounts required for outlays to carry out the airport and airway program are made available to the Federal Aviation Administration, Department of Transportation.

Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain refunds of taxes and certain outlays under section 34 of the Internal Revenue Code of 1986.

Annual reports to Congress, required by 26 U.S.C. 9602 (a), are submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports are required to cover the financial condition and results of operations of the fund during the past fiscal year and those expected during the next 5 fiscal years.

**TABLE TF-10.—Airport and Airway Trust Fund
Results of Operations, Fiscal 1995**

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1994.....		\$12,386,206,700
Receipts:		
Excise taxes (transferred from general fund):		
Liquid fuel other than gasoline.....	4041.....	169,531,000
Gasoline - commercial 9 cents tax.....	4081.....	-
Gasoline - noncommercial.....	4081.....	41,209,300
Transportation by airseats, berths, etc.....	4261 (a) (b).....	4,767,634,000
Use of international travel facilities.....	4261 (c).....	232,952,000
Transportation of property, cargo.....	4271.....	361,315,000
Gross excise taxes.....		5,572,641,300
Less refunds of taxes (reimbursed to general fund):		
Aircraft use tax and principal.....	6426.....	-
Any liquid fuel other than gasoline.....	4041.....	-
Gasoline - retailers tax.....		-
Gasoline - manufacturers tax.....		38,862,260
Total refunds of taxes.....		38,862,260
Net taxes.....		5,533,779,040
Interest on investments.....		578,669,211
Interest accrued.....		178,677,247
Total receipts.....		6,291,125,498
Offsetting collections.....		71,750,340
Outlays:		
Interest on refunds and credits.....		-
Expenses:		
Operations.....		2,545,854,200
Grants in aid.....		1,825,651,059
Facilities and equipment.....		2,637,813,090
Research, engineering, and development.....		232,271,710
DOT rental payments.....		39,426,000
Air carriers.....		28,560,381
Total expenses.....		7,309,576,440
Offsetting collections.....		71,750,340
Balance Sept. 30, 1995.....		11,367,755,758

**TABLE TF-10.—Airport and Airway Trust Fund, con.
Expected Condition and Results of Operations, Fiscal 1996-1997**

[In millions of dollars. Source: Financial Management Service]

	1996	1997
Balance Oct. 1	¹ 11,365	8,290
Receipts:		
Excise taxes, net of refunds	2,411	6,384
Interest on investments	782	560
Total receipts	3,193	6,944
Outlays	6,138	6,419
Offsetting collections	130	133
Balance Sept. 30	8,290	8,683

¹ Beginning balance reflects \$3 million adjustment by the Office of Management and Budget from balance reported above for September 30, 1995.

Note.—Under the Department of Transportation's reinvention proposal, Transportation infrastructure programs previously funded under separate modal grant programs, including airport grants, will be consolidated and replaced by Unified Transportation Infrastructure

Investment Program (UTIIP). All activities of the UTIIP will be funded from a new Transportation Trust Fund. The Airport and Airway fund is a separate account under the new Transportation Trust Fund.

INTRODUCTION: Harbor Maintenance Trust Fund

The Harbor Maintenance Trust Fund was established on the books of the Treasury on April 1, 1987, according to the Water Resources Development Act of 1986 (Public Law 99-962, November 17, 1986) (26 U.S.C. 9505).

The Harbor Maintenance Trust Fund consists of such amounts as may be appropriated provided by section 9505 (b), transferred by the Saint Lawrence Seaway Development Corporation (SLSDC) according to section 13 (a) of the Act of May 13, 1954, or credited as provided in section 9602 (b). Amounts are appropriated equivalent to the user fees in the Treasury under section 4461 (relating to harbor maintenance tax).

Amounts in the Harbor Maintenance Trust Fund are available as provided by appropriation acts for making expenditures to carry out section 210 (a) of the Water Resources Development Act of 1986. The appropriations act for the Department of Transportation for fiscal 1995 (Public Law 103-331, September 28, 1994), section 13, waived collection of charges or tolls on the Saint Lawrence Seaway in accordance with section 13 (b) of the Act of May 13, 1954 (as in effect on April 1, 1987). Legislation was passed in the North American Free Trade Agreement (NAFTA) Implementation

Act of 1994 (Public Law 103-182, Sec. 683), which amends paragraph (3) of section 9505 (c) of the Internal Revenue Code of 1986, to authorize payment of up to \$5 million annually to the Department of the Treasury, for all expenses of administration incurred by the Department of the Treasury, the U.S. Army Corps of Engineers, and the Department of Commerce related to the administration of subchapter A of chapter 36 (relating to harbor maintenance tax).

Legislation is being proposed in fiscal 1996 to authorize payment from the fund of \$45.5 million annually to the National Oceanic and Atmospheric Administration (NOAA) to fund programs that benefit the commercial navigation industry. Legislation has also been proposed in the fiscal year 1997 appropriation language to expand the authorized uses of the Harbor Maintenance Trust Fund to include construction.

Annual reports to Congress are required by 26 U.S.C. 9602 (a) to be submitted by the Secretary of the Treasury. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and its expected condition and operations during the next 5 fiscal years.

**TABLE TF-13.—Harbor Maintenance Trust Fund
Results of Operations, Fiscal 1995**

[Source: Financial Management Service]

Balance Oct. 1, 1994.....	\$451,385,039
Receipts:	
Excise taxes:	
Imports	420,763,679
Exports	213,957,751
Domestic.....	19,287,403
Passengers.....	2,197,978
Zones admissions.....	14,325,434
Toll receipts	173,246
Interest on investments.....	30,185,597
Interest income discount.....	-
Total receipts	700,891,089
Expenses:	
Corps of Engineers	519,196,150
SLSDC/DOT.....	10,374,000
Treasury administrative cost	-
Toll rebates	1,512,432
Total expenses	531,082,582
Balance Sept. 30, 1995.....	621,193,546

**TABLE TF-13.—Harbor Maintenance Trust Fund, con.
Expected Condition and Results of Operations, Fiscal Years 1996-2000 ¹**

[In millions of dollars. Source: Financial Management Service]

	1996	1997	1998	1999	2000
Balance Oct. 1 ²	621.2	883.9	1,150.0	1,530.5	2,021.0
Receipts:					
Harbor maintenance fee.	730.9	817.9	906.1	985.7	1,044.0
Transfer of tolls from SLSDC	-	-	-	-	-
Interest on investments	45.2	57.1	69.3	88.8	114.1
Total receipts	776.1	875.0	975.4	1,074.5	1,158.1
Outlays:					
Corps of Engineers O&M and administrative expenses	500.0	528.0	513.0	505.0	495.0
SLSDC/DOT	10.4	10.4	10.4	9.5	9.5
Toll rebates	-	-	-	-	-
Administrative expenses for Treasury (Customs)	3.0	3.0	4.0	4.0	4.0
Pending legislation:					
Corps of Engineers construction.	-	22.0	22.0	20.0	20.0
NOAA activities.	-	45.5	45.5	45.5	45.5
Total outlays	513.4	608.9	594.9	584.0	574.0
Balance Sept. 30	883.9	1,105.0	1,530.5	2,021.0	2,605.1

¹ Outyear projections are based on economic conditions and agencies' best projections of revenues and expenditures. These are planning numbers and are not to be construed as representing the "President's Budget for Fiscal Year 1997."

² Includes unrealized discounts on investments as reported by Department of Treasury Financial Management Service's Sept. 30, 1995, "Harbor Maintenance Trust Fund Income Statement."

INTRODUCTION: Highway Trust Fund

The Highway Trust Fund was established on the books of the Treasury in fiscal 1957, according to provisions of the Highway Revenue Act of 1956. It has been amended and extended by various highway and surface transportation acts since 1959. The Intermodal Surface Transportation Efficiency Act of 1991 extended the Highway Trust Fund and its taxes through September 30, 1999. It has also been modified by the Deficit Reduction Act of 1984, the Omnibus Budget Reconciliation Act of 1990, and the Omnibus Budget Reconciliation Act of 1993. Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, certain tires, vehicles, and truck use, are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made monthly based on estimates by the Secretary of the Treasury, subject to adjustments in later transfers to the amount of actual tax receipts. Amounts available in the fund exceeding outlay requirements are invested in public debt securities and interest is credited to the fund.

Within the fund is a mass transit account, funded by a portion of the excise tax collections under sections 4041, 4081, and 4091 of the Internal Revenue Code (26 U.S.C.). The funds

from this account are used for expenditures according to section 21 (a) (2) of the Urban Mass Transportation Act of 1964 or the Intermodal Surface Transportation Efficiency Act of 1991. The remaining excise taxes collected are included in a higher account within the trust fund, and expenditures from this account are made according to the provisions of various transportation Acts.

Amounts required for outlays to carry out the Federal Highway program are made available to the Federal Highway Administration, Department of Transportation. Other charges to the trust fund are made by the Secretary of the Treasury for transfer of certain taxes to the land and water conservation fund and to the Aquatic Resources Trust Fund and refunds of certain taxes.

Annual reports to Congress are required by 26 U.S.C. 9602 (a) Internal Revenue Code as amended, to be submitted by the Secretary of the Treasury, after consultation with the Secretary of Transportation. These reports cover the financial condition and results of operations of the fund for the past fiscal year and expected condition and operations during the next 5 fiscal years.

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal 1995**

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Balance Oct. 1, 1994.....		\$17,871,718,549
Receipts:		
Excise taxes (transferred from general fund):		
Trucks, buses, trailers.....	4061 (a) (1)	-
Diesel and special motor fuels.....	4041 (a) (b)	5,705,829,400
Trucks.....	4051 (a)	2,008,840,000
Gasoline.....	4081	14,930,103,300
Tires used on highway vehicles.....	4071 (a) (1)	395,443,000
Cash management improvement act.....	4071	660,836
Use of certain vehicles.....	4481	681,792,000
Fines and penalties.....		10,681,007
Total taxes.....		23,733,349,543
Less: Transfer to land and water conservation fund.....	4081	1,000,000
Transfer to aquatic reserve.....	4041	208,020,000
Gross taxes.....		23,524,329,543
Less refunds of taxes (reimbursed to general fund):		
Diesel-powered vehicle.....	39 & 6420	9,916,770
Gasoline other.....	6421	274,957,230
Gasohol 3.1/8.7.....	6427	10,331,320
Diesel 15.1/20.1.....	4081	491,359,960
Special motor fuel 9.1/14.1.....	4081	37,589,460
Aviation Htf. 12.1/15.1.....	6412	-
Gas to make gasohol.....	4041	67,361,230
Diesel fuel bus use.....	4041	20,726,180
Gas/diesel/alcohol mixtures.....	4081	-
Exempt use.....		-
Total refunds of taxes.....		912,242,150
Net taxes.....		22,612,087,393
Investment Income:		
Interest on investments.....		934,225,365
Accrued interest income.....		211,228,495
Total investment income.....		1,145,453,860
Net receipts.....		23,757,541,253

**TABLE TF-15.—Highway Trust Fund
Results of Operations, Fiscal 1995, con.**

[Source: Financial Management Service]

Description	Internal Revenue Code section (26 U.S.C.)	Amount
Expenses:		
Federal aid to highways		\$19,112,922,065
Right-of-way revolving fund		2,748,995
National Highway Traffic Safety Administration		145,441,000
Trust fund share of highway programs		10,067,969
Baltimore-Washington Parkway		3,289,861
Highway safety research and development		89,154
PA toll road demonstration		2,265,632
Highway-related safety grants		8,782,573
Alabama HYW bypass demonstration		139,171
Urban airport access safety demonstration		3,840,000
Intermodal urban demonstration		7,392,533
University transportation center		7,535,708
Carpool and vanpool grants		26,582
Metropolitan planning project		713,146
National Park Service construction		7,964,801
Motor carrier safety grants		65,616,442
Mass transit		3,178,768,188
Safety improvement project		1,605,655
Safety economic development demonstration project		7,591,179
Railroad administration		-
Vehicular and pedestrian safety demonstration		145,373
Highway demonstration		1,840,868
Corridor safety improvement		13,953,393
Bridge capacity improvement		33,058
Highway railroad grade crossing		4,091,086
Urban highway/corridor bicycle transportation demonstration		491,427
Highway demonstration projects		39,060,968
Kentucky bridge demonstration program		237,801
Department of Transportation/rent		1,976,000
Total expenses		22,628,990,627
Outlays:		
Outlays to cash management improvement act		85,017
Balance Sept. 30, 1995		19,000,184,158

**TABLE TF-15.—Highway Trust Fund, con.
Expected Condition and Results of Operations, Fiscal Years 1996-2000**

[In millions of dollars. Source: Financial Management Service]

Combined Statement Highway and Mass Transit Accounts

1996 1997 1998 1999 2000

Balance Oct. 1	19,000	21,386	23,922	27,273	33,052
Receipts:					
Excise taxes, net of refunds	24,554	24,904	25,240	25,672	26,127
Interest, net	1,306	1,402	1,525	1,723	1,983
Total receipts	25,860	26,306	26,765	27,395	28,110
Outlays	23,474	23,770	23,114	21,916	20,070
Balance Sept. 30	21,386	23,922	27,573	33,052	41,092

Mass Transit Account

1996 1997 1998 1999 2000

Balance Oct. 1	9,579	10,080	9,808	9,844	10,173
Receipts:					
Excise taxes, net of refunds	2,932	2,960	2,988	3,033	3,080
Interest, net	659	680	625	615	610
Total receipts	3,591	3,640	3,613	3,648	3,690
Outlays	3,090	3,912	3,577	3,319	3,094
Balance Sept. 30	10,080	9,808	9,844	10,173	10,769

Highway Account

1996 1997 1998 1999 2000

Balance Oct. 1	9,421	11,307	14,115	17,730	22,880
Receipts:					
Excise taxes, net of refunds	21,622	21,944	22,252	22,639	23,047
Interest, net	648	722	900	1,108	1,373
Total receipts	22,270	22,666	23,152	23,747	24,420
Outlays	20,384	19,858	19,537	18,597	16,976
Balance Sept. 30	11,307	14,115	17,730	22,880	30,324
Unfunded authorizations (EOY)	39,253	41,425	-	-	-
Twenty-four month revenue estimate	45,818	46,899	48,167	49,613	51,327

TABLE TF-15A.—Highway Trust Fund

The following information is released according to the provisions of the Byrd Amendment to the Intermodal Surface Transportation Efficiency Act of 1991 and represents data concerning the Highway Trust Fund. The figure described as “unfunded authorizations” is the latest estimate received from the Department of Transportation for fiscal 1995. The 24-and

12-month revenue estimates for the highway and mass transit accounts, respectively, include the latest estimates received from the Department of Treasury’s Office of Tax Analysis for excise taxes, net of refunds. They represent net highway receipts for those periods beginning at the close of fiscal 1995.

Highway Account

[In millions of dollars. Source: Financial Management Service]

Unfunded authorizations (EOY)	39,253
24-month revenue estimate.	45,818

Mass Transit Account

[In millions of dollars. Source: Financial Management Service]

Unfunded authorizations (EOY)	4,938
12-month revenue estimate.	3,640

INTRODUCTION: Inland Waterways Trust Fund

The Inland Waterways Trust Fund was established by the Treasury in fiscal 1984, according to provisions of the Inland Waterways Revenue Act of 1978 (Public Law 95-502) and continued according to the Water Resources Development Act of 1986 (26 U.S.C. 9506). Amounts determined by the Secretary of the Treasury to be section 4042 of the Internal Revenue Code of 1986 (relating to tax on fuel used in commercial transportation on Inland Waterways) shall be appropriated to the trust fund.

The Technical and Miscellaneous Revenue Act of 1988 (Public Law 100-647, approved November 10, 1988) increased the tax each year, 1990 through 1995. These amounts are transferred quarterly from the general fund based on estimates made by the Secretary, subject to adjustments in later transfers to the amounts of actual tax receipts.

The Secretary of the Treasury invests in interest-bearing obligations of the United States that portion of the trust fund,

in his judgment, not required to meet current withdrawals. The interest on, and proceeds from the sale or redemption of, any obligation held in the trust fund is credited to the trust fund. The act provides that amounts in the trust fund shall be available, by appropriations acts, for making construction and rehabilitation expenditures for navigation on the inland and intracoastal waterways of the United States described in 33 U.S.C. 1804. Expenditures must be otherwise authorized by law.

Annual reports to Congress are required by 26 U.S.C. 9602 to be submitted by the Secretary of the Treasury. These reports are required to cover the financial condition and the results of operations of the fund during the past fiscal year and its expected condition and operations during the next 5 fiscal years.

**TABLE TF-16.—Inland Waterways Trust Fund
Results of Operations, Fiscal 1995**

[Source: Financial Management Service]

Balance Oct. 1, 1994.....	\$214,313,309
Receipts:	
Fuel taxes.....	103,416,030
Interest on investments.....	15,580,324
Total receipts.....	118,996,354
Transfers:	
Corps of Engineers.....	94,777,965
Balance Sept. 30, 1995.....	238,531,698

Expected Condition and Results of Operations Fiscal Years 1996-2000¹

[In millions of dollars]

	1996	1997	1998	1999	2000
Balance Oct. 1 ²	238.5	325.5	388.8	467.8	562.9
Receipts:					
Fuel taxes.....	125.0	131.0	137.0	142.0	147.0
Interest on investments.....	15.4	18.3	21.0	25.1	30.2
Total receipts:.....	140.4	149.3	158.0	167.1	177.2
Transfers:					
Corps of Engineers.....	53.4	86.0	79.0	72.0	65.0
Balance Sept. 30 ²	325.5	388.8	467.8	562.9	675.1

¹ Outyear projections are based on economic conditions and agencies' best projections of revenues and expenditures. These are planning numbers and are not to be construed as representing the President's Budget for Fiscal Year 1997.

² Includes unrealized discounts on investments as reported by the Department of Treasury's Financial Management Service's Sept. 30, 1995, "Inland Waterways Trust Fund Income Statement."